

Greetings Valued Client from the new Bankers Investment Counseling HQ in beautiful Ventura CA and congratulations on surviving another American election cycle.

I began writing this letter about a week before the election by tabulating empirical data from Trump and Biden's terms in office thinking that past would be prologue with either candidate BUT now that we know that Donald Trump not only won the popular vote but that the GOP will hold control over both houses of congress we are looking at an entirely new ball game. Or are we?

Our votes place our faith in our leaders and government but no matter how much they enjoy claiming the credit for wealth and job creation we know that the successes and failures of our free-market system rest squarely upon the shoulders of market leaders and participants big and small from Main St. to Wall St.

As of the writing of this letter our nations' 47th president will take the helm with a dollar worth 18% more than when he left office, an S&P 500 worth 60% more, a US unemployment rate 39% lower, a US federal deficit 45% lower, a barrel of oil 43% higher, an ounce of gold 45% higher, a 291% higher ten year US Treasury yield and a bitcoin worth 200% more.

It will be fascinating to see where all these metrics are in four years time and who will take the credit or the blame.

***As an investment advisor I seek historical references to help develop a productive investment thesis. Here are a few references that come to mind.**

CARTER:REAGAN BIDEN:TRUMP

Carter and Biden were both life-long political leaders in the Democratic party. Both administrations were perceived as ineffective by the US electorate serving only one term due to similar head winds in the form of rising interest rates and

inflation. Coincidentally they each inherited governments burdened with massive war debt from the decades long Vietnam and Middle East wars. Both administrations were heavily influenced by activities in Iran and the middle east throughout their terms.

Reagan and Trump were atypical politicians who had careers in television prior to politics. Both concurrently had wide popular appeal while also being divisive within the broader electorate. They projected free market ideologies, corporate agendas and were perceived as small government trickle-down economics advocates.

What can we make of this?

In as much as Trump would love to be admired like Reagan he is a long way from gaining that GOP pedigree but he does have many of the same attributes which could equate to similar policies and outcomes. For example under Reagan the S&P 500 rose 88%, unemployment dropped 33%, the federal deficit rose 110%, oil went down 47%, gold went down 26% and the yield on the ten year treasury dropped by 23%.

Satoshi Nakamoto (Bitcoin creator) and Elon Musk were getting their drivers permits about that time.

HARDING:HOOVER BIDEN:TRUMP

Harding and Biden both held office for one term. Harding was president when Einstein published the Theory of Relativity starting the atomic age while Biden held office at the onset of artificial intelligence. Both presidents were in office during record breaking bull markets. In fact the market similarly roared higher with hope immediately after both the 1928 and 2024 elections

Hoover and Trump were two of the wealthiest US Presidents in history. Both presidents sought extensive Mexican repatriation initiatives and both were in office during asymmetrical economic events: the great depression and the Covid epidemic.

What can we make of this?

All things the same this relationship presents discouraging prospects and I hope that past isn't prologue in this case but AI, Elon and all the Bitcoin trading GenZers may rescue us. Right?

CONCLUSION

American politics over the next four years is shaping up to be as contentious as the last eight but I remain faithfully confident in the delayed reliability of the system our framers built for us.

The US capital markets are the most transparent and well-regulated in the world. True the S&P 500 is expensive and very crowded at the top with the top 10 companies providing almost half of the 2024 YTD return but the dollar is still king and stronger now than it was in 2020. The fed is normalizing our balance sheet and a probusiness congress will be sworn in soon. Interest rates are stable and the unemployment rate is fairly low. All of these metrics together make our free enterprise system the envy of the world.

Please contact us to update your investment goals, risk tolerance, time horizon and liquidity needs. And feel free to share this communication with trusted friends and colleagues.

THANK YOU FOR YOUR TRUST

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